

Message Text

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C O N F I D E N T I A L CARACAS 8492

E.O. 11652: GDS

TAGS: EGEN VE

SUBJECT: SELA

1. SUMMARY: ACCORDING TO GOV PARTICIPANTS IN THE PANAMA CONFERENCE, A PRINCIPAL PURPOSE OF SELA IS TO PROVIDE LATIN AMERICA WITH A FLEXIBLE, PRAGMATIC APPROACH TO ECONOMIC INTEGRATION, BASED ON LIMITED PRACTICAL ACHIEVEMENTS RATHER THAN ON COMPREHENSIVE COMMITMENTS. GOV OFFICIALS ORIGINALLY INTENDED THAT SELA SHOULD TAKE OVER CECLA'S FUNCTIONS, BUT APPARENTLY SAW FIT TO COMPROMISE ON THIS POINT. GOV ASSURANCES THAT SELA WILL BE MODEST ORGANIZATION ARE NOT ENTIRELY CONVINCING IN VIEW OF BROAD GOALS CONTAINED IN DELCARATION OF INTENTIONS SIGNED IN PANAMA. END SUMMARY.

2. COMMENTS TO THE PRESS AND TO EMBASSY OFFICERS INDICATE THAT GOV OFFICIALS BELIEVE THAT THE PANAMA CONFERENCE ON SELA ACHIEVED ITS ESSENTIAL PURPOSE, DESPITE INITIAL RELUCTANCE ON THE PART OF SOME COUNTRIES TO ENDORSE SELA UNTIL ITS OUT-LINES BECOME CLEARER. PRIOR TO PANAMA, GOV OFFICIALS
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HAD SUGGESTED THAT SELA MIGHT BE LAUNCHED WITH THE

PARTICIPATION OF A NUCLEUS OF PERHAPS EIGHT OR NINE COUNTRIES WILLING TO COMMIT THEMSELVES FROM THE BEGINNING TO SELA'S ORGANIZATION, WITH THE EXPECTATION THAT OTHER NATIONS WOULD JOIN THE BAND-WAGON AS THEY BECAME CONVINCED OF SELA'S UTILITY. AS IT TURNED OUT, SELA WAS ENDORSED BY ALL PARTICIPANTS FROM THE BEGINNING, BUT ON THE BASIS OF A GENERAL DECLARATION OF INTENTIONS WITH DETAILS TO BE WORKED OUT BY A COMMITTEE AND APPROVED BY RECONVENING OF THE PANAMA CONFERENCE.

3. DR. EDUARDO SOTO, COORDINATOR OF THE OFFICE OF THE MINISTER OF STATE FOR INTERNATIONAL ECONOMIC AFFAIRS, EMPHASIZED THE IMPORTANCE OF THE ENDORSEMENT OF SELA BY ALL NATIONS PRESENT AT PANAMA. HE SAID THAT WHILE MANY LATIN AMERICAN NATIONS WERE PREPARED TO ORGANIZE SELA IMMEDIATELY, OTHERS WANTED TIME TO STUDY DETAILS OF ITS ORGANIZATION. A POLITICAL DECISION WAS MADE, THEREFORE, TO APPROVE A RESOLUTION SUPPORTING SELA IN GENERAL TERMS, WITH DETAILS TO BE DECIDED LATER BASED ON PROPOSALS OF A WORKING GROUP OPEN TO ALL LATIN AMERICAN NATIONS.

4. SOTO EMPHASIZED THAT SELA WOULD BE ORGANIZED ON NON-BUREAUCRATIC LINES. HE PREFERRED TO CALL IT A MECHANISM RATHER THAN AN ORGANIZATION. THE STAFF OF SELA, ACCORDING TO SOTO, WOULD BE SMALL BUT DYNAMIC AND WOULD INCLUDE OFFICIALS SECONDED FROM MEMBER GOVERNMENTS. SELA WOULD DEPEND UPON ECLA AND OTHER INTERNATIONAL ORGANIZATIONS FOR SUBSTANTIVE SUPPORT. SELA'S BUDGET, ACCORDING TO SOTO, WOULD BE QUITE MODEST.

5. SOTO WAS REMINDED THAT DR. MANUEL PEREZ GUERRERO HAD INFORMED UNDER SECRETARY ROBINSON THAT SELA WOULD TAKE THE PLACE OF CECLA; HOWEVER, FINANCE MINISTER HURTADO (VENEZUELA'S DELEGATE IN PANAMA) HAD INFORMED THE PRESS THAT CECLA WOULD CONTINUE TO FUNCTION. SOTO SAID IT IS TRUE THAT CECLA WOULD NOT BE ABOLISHED; HOWEVER, THE ORGANIZATION HAS BEEN DORMANT IN RECENT YEARS. SOTO SPECULATED THAT CECLA WOULD IN FACT DISAPPEAR, FOR THERE WOULD BE NO NEED FOR SUCH AN ORGANIZATION ONCE SELA WAS ESTABLISHED.

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6. SOTO SAID THAT THE INSISTANCE OF SMALLER, LESS DEVELOPED LATIN AMERICAN NATIONS FOR SOME FORM OF PREFERRED TREATMENT HAD BEEN ANTICIPATED. THIS WAS AGREED TO AT PANAMA, BUT THE DETAILS OF SUCH TREATMENT WOULD HAVE TO BE WORKED OUT.

7. SOTO CONFIRMED PRESS REPORTS THAT HURTADO HAD EMPHASIZED THE IMPORTANCE OF SELA AS A NEW APPROACH TO LATIN AMERICAN ECONOMIC

INTEGRATION-- FLEXIBLE AND VERSATILE IN CONTRAST TO THE VARIOUS REGIONAL ORGANIZATIONS NOW FUNCTIONING. SOTO SAID THAT SELA WOULD ATTEMPT TO CONTRIBUTE TO INTEGRATION THROUGH LIMITED, PRACTICAL ACHIEVEMENTS. IT WOULD STICK TO ECONOMIC MATTERS AND ESCHEW IDEOLOGICAL OR PHILOSOPHICAL POSITIONS. SOTO ALSO EMPHASIZED THAT SELA WILL LOOK INWARD RATHER THAN SEEK TO CONFRONT NATIONS OUTSIDE THE LATIN AMERICAN REGION.

8. SOTO'S COMMENTS ARE GENERALLY CONSISTENT WITH THOSE OF JESUS MARIA PONCE OF THE MINISTRY OF FOREIGN AFFAIRS, WHO ALSO ATTENDED THE PANAMA MEETING (SEE MEMO OF CONVERSATION DATED AUG 8). THE ONLY IMPORTANT DIFFERENCE WAS PONCE'S FRANK ADMISSION THAT IT WAS ONLY AFTER PROLONGED ARGUMENTATION THAT BRAZIL AND URUGUAY AGREED TO ENDORSE SELA IN VERY GENERAL TERMS.

9. COMMENT: THE GOV CONTINUES TO PAINT FOR US A ROSY PICTURE OF A MODEST SELA. BUT THE REAL NATURE OF THE DESIGN IS REVEALED BY THE AMBITIOUS GOALS IMPLIED IN THE DECLARATION OF INTENTIONS.

10. WHAT THE GOV HOPES FOR FROM SELA IS AN INSTRUMENT TO ENSURE A SOLID LATIN AMERICAN BLOC ON INTERNATIONAL ECONOMIC ISSUES AND CONSEQUENT PROTECTION FOR VENEZUELA ON THE OIL PRICE ISSUE. NOW THAT BRAZIL HAS GONE ALONG IN PRINCIPLE (AND THAT ULTIMATELY SHOULD BE ENOUGH FOR THE PURPOSE), THE GOV MAY GIVE SOME THOUGHT TO THE POSSIBLE TRAP IN SELA: THAT THE NEW ORGANIZATION WILL PROVIDE A CONVENIENT CHANNEL FOR CALLING ON VENEZUELAN RESOURCES TO FINANCE THE DEVELOPMENT SCHEMES OF LESS AFFLUENT NEIGHBORS.
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